

AMENDED IN ASSEMBLY APRIL 19, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 53**

**Introduced by Assembly Member Negrete McLeod**

December 6, 2004

---

~~An act relating to state government.~~ *An act to add Chapter 12.94 (commencing with Section 7090) to Division 7 of Title 1 of, and to repeal Article 2 (commencing with Section 11792) and Article 3 (commencing with Section 11796) of Chapter 7.5 of Part 1 of Division 3 of Title 2 of, the Government Code, relating to technology.*

LEGISLATIVE COUNSEL'S DIGEST

AB 53, as amended, Negrete McLeod. ~~State agency consolidation.~~  
*consolidation: data centers.*

*Existing law establishes the California Health and Human Services Agency Data Center in the California Health and Human Services Agency and the Stephen P. Teale Data Center in the Business, Transportation and Housing Agency for the purpose of providing electronic data processing services to state agencies and for allocating moneys to projects that demonstrate or develop advanced information technologies as solutions to information processing problems.*

*The California Health and Human Services Agency Data Center Revolving Fund and the Stephen P. Teale Data Center Revolving Fund are established in the State Treasury and continuously appropriated for the payment of expenses incurred by the data centers. These funds shall cease to exist if the data centers are consolidated with other state information technology centers, and any remaining moneys in the funds are required to be distributed according to specified provisions of law.*

*This bill would establish the Department of Technology Services in state government and consolidate and transfer the functions of the Stephen P. Teale Data Center and the California Health and Human Services Agency Data Center to the department, as specified.*

~~Existing law requires state agencies to conduct ongoing performance reviews to, among other things, reduce the costs of state government and plan for the effective administration of government programs.~~

~~This bill would declare the Legislature's intent to build upon efforts to, eliminate governmental waste and inefficiency, consolidate 5 separate state agencies into a single entity with specified responsibilities, create an Office of Management and Budget with responsibility for the state's fiscal affairs, personnel management, and procurement systems, and consolidate the Teale Data Center and the Health and Human Services Data Center.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Chapter 12.94 (commencing with Section 7090)  
2     is added to Division 7 of Title 1 of the Government Code, to  
3     read:

4  
5     CHAPTER 12.94. DEPARTMENT OF TECHNOLOGY SERVICES

6  
7     7090. (a) It is the intent of the Legislature in enacting this  
8     act to implement the recommendations of the Legislature  
9     embodied in the Annual Budget Act of 2003 with respect to the  
10    consolidation of the Teale Data Center and the California Health  
11    and Human Services Data Center.

12    (b) The Department of Technology Services is hereby created  
13    in state government and shall be comprised of the Stephen P.  
14    Teale Data Center and the California Health and Human  
15    Services Agency Data Center, which are hereby consolidated and  
16    their functions transferred to the department.

17    (c) The department is the successor to, and is vested with, all  
18    of the duties, powers, purposes, responsibilities, and jurisdiction  
19    of the Stephen P. Teale Data Center and the California Health  
20    and Human Services Agency Data Center. Any reference in

1 *statutes, regulations, or contracts to those entities with respect to*  
2 *the transferred functions of these two data centers shall be*  
3 *construed to refer to the Department of Technology Services*  
4 *unless the context clearly requires otherwise.*

5 *(d) No contract, lease, license, or any other agreement to*  
6 *which the Stephen P. Teale Data Center or the California Health*  
7 *and Human Services Agency Data Center, is a party shall be*  
8 *void or voidable by reason of this chapter, but shall continue in*  
9 *full force and effect, with the department assuming all of the*  
10 *rights, obligations, and duties of the Stephen P. Teale Data*  
11 *Center and the California Health and Human Services Agency*  
12 *Data Center.*

13 *(e) All books, documents, records, and property of the Stephen*  
14 *P. Teale Data Center and the California Health and Human*  
15 *Services Agency Data Center shall be transferred to the*  
16 *Department of Technology Services.*

17 *(f) (1) All officers and employees of the former Stephen P.*  
18 *Teale Data Center and the California Health and Human*  
19 *Services Agency Data Center are transferred to the department.*

20 *(2) The status, position, and rights of any officer or employee*  
21 *of the Stephen P. Teale Data Center or the California Health and*  
22 *Human Services Agency Data Center shall not be affected by the*  
23 *consolidation and transfer of these two centers to the*  
24 *department.*

25 *SEC. 2. Article 2 (commencing with Section 11792) of*  
26 *Chapter 7.5 of Part 1 of Division 3 of Title 2 of the Government*  
27 *Code is repealed.*

28 *SEC. 3. Article 3 (commencing with Section 11796) of*  
29 *Chapter 7.5 of Part 1 of Division 3 of Title 2 of the Government*  
30 *Code is repealed.*

31 ~~SECTION 1. (a) The Legislature finds and declares all of~~  
32 ~~the following:~~

33 ~~(1) In 1965 the state began decentralizing its budget, human~~  
34 ~~resources, procurement, and other state government support~~  
35 ~~functions into separate departments.~~

36 ~~(2) The development of the state budget has remained a labor~~  
37 ~~intensive and highly specialized effort that could be~~  
38 ~~accomplished more efficiently and transparently with the use of~~  
39 ~~appropriate technology.~~

~~(3) The contracting, procurement, and facility support functions of state agencies have been an ongoing source of costly government failures that lack the accountability and transparency necessary to maintain the public's trust that government contracts are awarded based on the best value for taxpayers.~~

~~(4) The human resource functions of state government have become unmanageable and fragmented with disparities in classifications and compensation among state departments with similar functions.~~

~~(5) The state maintains two separate data centers with duplicative management, property, and equipment.~~

~~(b) It is the intent of the Legislature in enacting this act to do all of the following:~~

~~(1) Build upon the goals and efforts of the Legislature when it enacted legislation in 1994 requiring an ongoing performance review of state government operations to eliminate waste, inefficiency, red tape, as well as reduce the costs of state government and improve the delivery of services to the people.~~

~~(2) Reduce administrative costs and streamline government operations by consolidating five separate state departments into a single entity with responsibility for budget development, contracting, procurement, facility and operations support, data storage, and human resource functions with centralized responsibility and accountability for support of state government operations.~~

~~(3) Implement the recommendations of the Legislature embodied in the Annual Budget Act of 2003 with respect to the consolidation of the Teale Data Center and the Health and Human Services Data Center.~~

~~(4) Develop the California Performance Review's recommendation to create an Office of Management and Budget with responsibility for management of the state's fiscal affairs, personnel management, and procurement systems.~~